

Narcotics  
Intelligence  
Estimate

The National  
Narcotics Intelligence  
Consumers Committee

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*The Supply of Drugs to the  
U.S. Illicit Market From  
Foreign and Domestic Sources in 1978  
(With Projections for 1979-82)*

Queries should be directed to:  
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The NNICC is composed of agencies with enforcement, policy, treatment and research, and intelligence responsibilities. The present membership of the NNICC is as follows:

United States Coast Guard

United States Customs Service

Drug Enforcement Administration

Federal Bureau of Investigation

Immigration and Naturalization Service

Internal Revenue Service

National Institute on Drug Abuse

Department of State

Department of the Treasury

White House

The Committee is chaired by the Assistant Administrator for Intelligence of the Drug Enforcement Administration. The Special Assistant for Coordination of Foreign Narcotics Information of the Central Intelligence Agency attends the NNICC meetings as an observer.

## Money Flow

Illicit drug trafficking [2 words illeg] (            point average) about \$54 billion in retail sales during 1978 compared to \$52 billion in 1977, a four percent increase (the 1977 figure represents and adjustment of the published National Narcotics Intelligence Consumers Committee Estimate for that year to include domestic production of marihuana and dangerous drugs.) Domestic production accounted for one quarter of the total sales volume in both years.

Outlays for the purchase of drugs from foreign exporters represented an estimated four percent of total sales volume in both 1977 and 1978. The export price of a kilogram of Mexican heroin doubled from roughly \$100.000 per pure kilogram in 1977 to \$200.000 in 1978. The average cost of cocaine and marihuana varied little between 1977 and 1978.

## Heroin

Imports of Mexican heroin fell from 3.1 tons in 1977 to between 1.7 - 2.0 tons in 1978, a decrease of 35 - 45 percent. Mexico's share of the U.S. heroin market in 1978 was about 45 percent as compared to 56 percent in 1977. This decrease reflects the effects of the continued eradication efforts by the Mexican Government assisted to some extent by an unusually severe drought that hit northwestern Mexico in late 1977 and continued through the early months of 1978.

Southeast Asia remained a major source of heroin for the U.S. market in 1978. An estimated 1.5 tons of Asian heroin were smuggled into the United States in 1978 representing about 38 percent of the total U.S. supply. Severe drought conditions began to affect opium production late in 1978.

The Middle East South Asia region remained a minor supplier of heroin to the U.S. market. Its share of this market increased, however, from eight percent in 1977 to an estimated 17 percent in 1978, although total heroin imports were also decreasing. Afghanistan, Pakistan and Iran were the source of the opium for the estimated 600-800 kilograms of heroin smug

# Executive Summary

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## Money Flow

- Effect drug traffic had on importation of hard (street) drugs: about \$54 billion in total sales during 1978 compared to about \$52 billion in 1977, a four percent increase. (The 1977 figure represents an adjustment of the published National Narcotics Intelligence Coordinating Committee Estimate for that year to include domestic production of marijuana and cheap foreign drugs.) Domestic products accounted for one quarter of the total sales volume in both years.
- Outlays for the purchase of drugs from foreign exporters represented an estimated four percent of total sales volume in both 1977 and 1978. The export price of a kilogram of Mexican heroin doubled from roughly \$100,000 per pure kilogram in 1977 to \$200,000 in 1978. The average cost of cocaine and marijuana varied little between 1977 and 1978.

## Heroin

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- The Middle East-South Asia region remained a minor supplier of heroin to the U.S. market. Its share of this market increased, however, from eight percent in 1977 to an estimated 17 percent in 1978, although total heroin imports were also decreasing. Afghanistan, Pakistan and Iran were the source of the opium for the estimated 600-800 kilograms of heroin smuggled

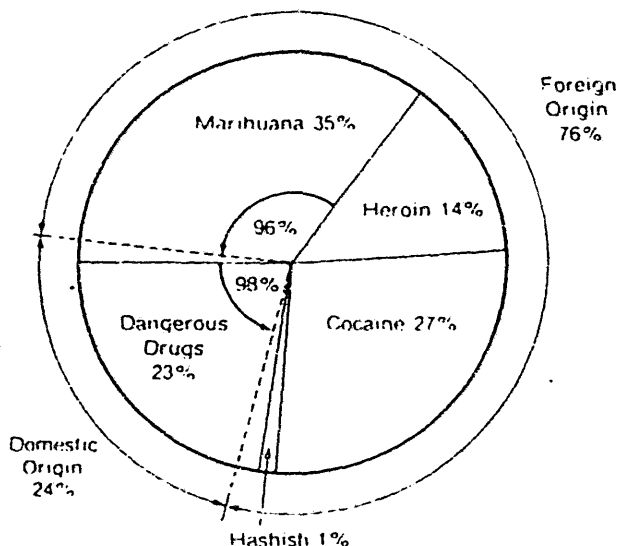
gled into the United States in 1978. The wholesale value of a kilogram of Mid East heroin upon entry into the United States was approximately \$175,000.

- Cocaine**
- An estimated 19-25 metric tons of cocaine were smuggled into the United States in 1978, compared to 19-23 tons in 1977, representing about a five percent increase.
  - As in 1977, the coca leaf was grown primarily in Peru and Bolivia, with some cultivation in other parts of South America. Colombia remained the single most important trafficking source for cocaine imported into the United States.

- Marihuana**
- Marihuana continued to be the top income producer, accounting for about 35 percent of retail sales on the U.S. illicit drug market, or \$15-23 billion in 1978. An estimated 10,000-15,000 tons of marihuana were smuggled into the United States in that year.
  - Colombia, in 1978, supplied 70 percent of the marihuana moved into the United States, or 7,000-10,500 tons. By comparison, Colombian marihuana accounted for an estimated 56 percent of total imports in 1977. Mexico's share declined from 40 percent in 1977 to 26 percent in 1978.
  - Domestic production is now reaching significant proportions. This source accounted for about 5-10 percent of the U.S. market supply in 1978. Production has probably increased since then, with emphasis on the higher potency varieties. Campaigns to control marihuana growth were undertaken in several locations in the United States during 1978, notably Hawaii and northern California.

- Hashish**
- The use of hashish probably increased in the United States in 1978. The estimated amount smuggled into the United States in 1978 was 200 tons.

Figure 2 BREAKDOWN OF TOTAL ESTIMATED RETAIL SALES IN THE U.S. ILLEGAL DRUG MARKET BY ORIGIN AND BY DRUG  
PERCENTAGE SHARES, 1978



Total Retail Sales: \$44.6-63.4 Billion

### Heroin

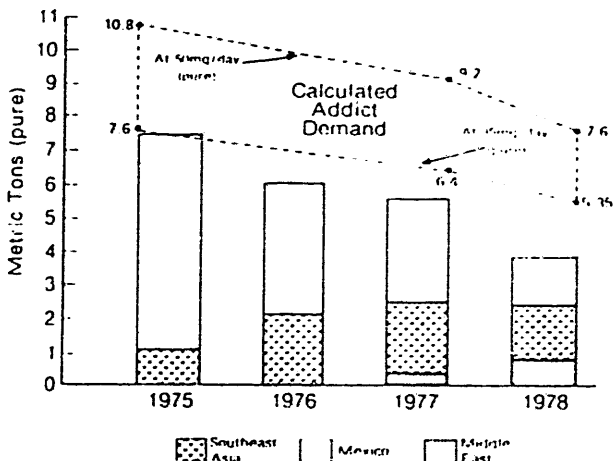
Despite a decline in the number of its users and in its financial importance, heroin remains the drug most deleterious to health and the greatest contributor to social disruption. The number of heroin addicts in the United States declined 35 percent between 1974 and 1978 to about 380,000. This reduction was caused by the continuing decline in availability, primarily tied to eradication operations in Mexico and joint U.S. Mexican enforcement actions. Southeast Asian-produced heroin imported into the United States declined, although its proportion of the U.S. market increased for the third year in a row (to 38 percent). A poor harvest predicted for 1979 would reduce Asian imports even further. The third and newest source of heroin to the United States and Europe is the Middle East, where vast quantities of opium are grown in Afghanistan, Pakistan and Iran. (See Figure 3 for estimated heroin imports.) The downturn in calculated demand is shown

Figure 3 ESTIMATED SUPPLY OF HEROIN TO THE UNITED STATES FROM PRINCIPAL FOREIGN SOURCES, 1975-1978

Source	Estimated Supply, Metric Tons (pure)			
	1975	1976	1977	1978
Mexico	6.5 (87%)	6.0 (87%)	5.5 (87%)	5.0 (87%)
Southeast Asia	1.0 (14%)	2.0 (30%)	2.0 (30%)	2.0 (30%)
Middle East	negligible (0%)	negligible (0%)	0.2 (3%)	0.2 (3%)
<b>TOTAL</b>	<b>7.5 (100%)</b>	<b>8.0 (100%)</b>	<b>7.7 (100%)</b>	<b>7.2 (100%)</b>

graphically in Figure 4. This chart also shows that addict consumption has been below the once commonly accepted average level of 50 milligrams (pure) per day and, since 1975, even below the more conservative level of 35 milligrams per day.

Figure 4 ESTIMATED SUPPLY OF HEROIN TO THE UNITED STATES IN RELATION TO CALCULATED ADDICT DEMAND, 1975-1978



The tonnage estimated to have been imported in 1978 was sufficient to provide 380,000 addicts an average daily intake of approximately 24-29 milligrams (pure), with an allowance of ten percent of the total supply for casual users.

## Cocaine

Over half of the cocaine users in the United States are in the 18-25 age group, although older, more affluent